

Transmission Business Line (TBL)
Available Transfer Capability Methodology
Comments of the Public Generating Pool
October 28, 2003

The PGP¹ has participated in TBL's development of the proposed new ATC methodology over the past several months, and has previously submitted several sets of written questions and comments. The PGP appreciates the fact that the TBL has agreed to post this draft methodology and take comments. A written methodology is an important step toward better understanding on the part of BPA's customers regarding this potentially significant change in TBL's business practices. However, many of the questions previously posed remain unanswered. The PGP incorporates its previously submitted questions and comments by reference, and asks again that TBL make the effort to provide a more complete record of the development of this methodology by responding to such questions in writing. The PGP is especially concerned about those parts of the methodology that create conflicts between customers' obligations to self-supply ancillary services and losses under existing transmission contracts and the availability of transmission capacity to meet those obligations.

As this new methodology is applied and modified, the PGP expects that TBL will provide opportunities for further interaction with its customers, either individually or in more public settings. Members of the PGP will be seeking additional information on a bilateral basis, in order to determine the likely impacts of this methodology on the quality of their existing contract rights, and to ensure that the appropriate assumptions regarding non-federal resources and load forecasts are incorporated into the methodology. In addition, the PGP has the following comments on the proposed methodology itself.

Future Modifications to the Methodology

In section D of the methodology, TBL proposes that notice and comment opportunities will be provided to customers only in very limited circumstances. This section of the draft methodology is contrary to assurances provided to customers at the public meeting on October 17, 2003. In addition, in Appendices 1, 3, 4, and 6, TBL retains the right to modify the Network Flowgate designations, TTC determinations, the TRM and dead-band methodologies, and Planning ATC at any time. If TBL determines that any such modifications are necessary, TBL should provide the maximum possible notice to its customers, should explain the basis or bases for such modifications, should provide the resulting impacts on estimated ATC amounts for each affected Flowgate, and should seek comments from its customers before implementing the modifications. We assume that any such modifications will continue to remain consistent with NERC, WECC, and BPA reliability standards. To assure this, Section D should be revised to explicitly provide for such consultations, rather than explicitly prohibiting them.

¹ Cowlitz County PUD, Douglas County PUD, Grant County PUD, Pend Oreille County PUD, and Seattle City Light.

Transmission Reliability Margin

As the PGP has noted before, TBL's previous proposal for incorporating TRM into the calculations did not provide sufficient protection for existing transmission customers. In the draft methodology, TBL now proposes reducing such protection by lowering the TRM adjustment from 30 percent of the delta between Planning ATC and Contract Accounting ATC to 20 percent. Furthermore, TBL has not adequately explained its decision to incorporate no TRM adjustment for those months and flowgates where Contract Accounting ATC is greater than Planning ATC. TBL should explain its rejection of the PGP proposal that the TRM in these circumstances should be set to protect the ability of existing transmission customers to transmit energy when required under their Ancillary Service obligations. TBL has not explained the apparent conflict between simultaneously requiring that its customers purchase or self-supply operating reserves, while taking steps that reduce the availability of transmission capacity to transmit such reserves when called on.

Requests for Short-Term Service

The PGP understands that TBL will be developing and applying the new methodology to short-term requests for transmission service, in addition to its application to long-term requests. In the event that modifications to the methodology are required in order to apply it to short-term requests, TBL should re-consult with its customers on appropriate assumptions and approaches.

Needed Clarifications

In Appendix 2, the Contract Accounting ATC is described as based on "limited netting", relying on the ratio of monthly LLH to winter HLH. Presumably this means LLH and HLH loads. However, it is still not clear from this description how the limited netting occurs. How is the ratio of monthly (historical?) LLH (load?) to winter (historical?) HLH (load?) used to estimate an amount of MW that is used in the "limited netting" calculation?

In Appendix 4, #3, the discussion of *de minimis* impacts on Network Flowgates provides a maximum annual total impact of such impacts, but does not explain what happens when such annual maximum is reached. Presumably, subsequent transmission requests during the year would not be exempt from such impacts, and could be denied if there is insufficient ATC on the affected Flowgate(s). However, the methodology should make this clear.

Editorial Comments

- In Appendix 1, the Rocky Reach-Maple Valley line should be identified as 345 kV.
- Appendix 2, #6: "PURs" should probably be "PORs" and "amon" should probably be "among".
- In Appendix 4, the TRM adjustment is described. It is not obvious that an adjustment is positive or negative. Appendix 4 should be revised to clarify that the adjustment reduces ATC.

- Appendix 6, #2.c. does not include a description of all non-federal resources.